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REPORT
99-335

INCREASE OF PERMANENT PUBLIC DEBT LIMIT

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Mr. PACKWOOD, from the Committee on Finance, submitted the following

REPORT

[To accompany H.J. Res. 668]

The Committee on Finance, to which was referred the bill (H.J. Res. 668) to increase the permanent public debt limit, having considered the same, reports favorably thereon with an amendment, and recommends that the bill, as amended, do pass.

I. SUMMARY

H.J. Res. 668 provides for an increase of $244.1 billion in the permanent debt limit from $2,078.7 billion to $2,322.8 billion, which becomes effective on enactment. The debt limit level in this bill is the amount approved by the Congress in the Conference Report on the Budget Resolution for fiscal year 1987 (S. Con. Res. 120).

The committee amendment to the bill revises certain rules relating to the investment of Social Security Trust Fund and repeals, after June 30, 1990, the normalized tax transfers from the general funds in the Treasury Department to the Social Security Trust Fund.

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TABLE 1.—STATUTORY DEBT LIMITATIONS, FISCAL YEARS 1947 TO DATE, AND PROPOSED PERMANENT LIMIT

[In billions of dollars]

Fiscal year	Statutory debt limitation		
	Permanent	Temporary additional	Total
1947–1958 through Feb. 25	275	.....	275
1958: Feb. 26 through June 30	275	5	280
1959 through Sept. 1	275	5	280
1959: Sept. 2 through June 29	283	5	288
1959: June 30	288	5	290
1960	285	10	295
1961	285	8	293
1962 through Mar. 12	285	13	298
1962: Mar. 13 through June 30	285	15	300
1963 through Mar. 31	285	23	308
1963: Apr. 1 through May 28	285	20	305
1963: May 29 through June 30	285	22	307
1964 through Nov. 30	285	24	309
1964: Dec. 1 through June 28	285	30	315
1964: June 29 and 30	285	30	342
1965	285	39	324
1966	285	43	328
1967 through Mar. 1	285	45	330
1967: Mar. 2 through June 30	285	51	336
1968 [1]	358	.....	358
1969 through Apr. 6 [1]	358	7	365
1969 after Apr. 6 [1]	358	.....	358
1970 through June 30 [1]	365	12	377
1971 through June 30 [1]	380	15	395
1972 through June 30 [1]	400	50	450
1973 through Oct. 31 [1]	400	50	450
1973 through June 30 [1]	400	65	465
1974 through Nov. 30 [1]	400	65	465
1974: Dec. 3 through June 30 [1]	400	75.7	475.7
1975 through Feb. 18 [1]	400	95	495
1975: Feb. 19 through June 30 [1]	400	131	531
1976 through Nov. 15 [1]	400	177	577
1976 through Mar. 15 [1]	400	195	595
1976 through June 30 [1]	400	227	627
TQ: from enactment through Sept. 30, 1971 [1]	400	236	636
1977: from Oct. 1, 1976 through Mar. 31, 1977 [1]	400	282	682
1977: from Apr. 1 through Sept. 30, 1977 [1]	400	300	700

TABLE 1.—STATUTORY DEBT LIMITATIONS, FISCAL YEARS 1947 TO DATE, AND PROPOSED PERMANENT LIMIT—CONTINUED

[In billions of dollars]

Fiscal year	Statutory debt limitation		
	Permanent	Temporary additional	Total
1978: from Oct. 1, 1977 through July 31, 1978 [1]	400	352	752
1978: from Aug. 3, 1978 through Mar. 31, 1979 [1]	400	398	798
1979: from Apr. 2 through Sept. 30, 1979 [1]	400	430	830
1980 through June 30, 1980 [1]	400	479	879
1981 through Feb. 28, 1981 [1]	400	525	925
1981 through Sept. 30, 1981 [1]	400	535.1	935.1
1981 through Sept. 30, 1981 [1]	400	585	985
1982 through Sept. 30, 1982 [1]	400	679.8	1,079.8
1982 through Sept. 30, 1982 [1]	400	743.1	1,143.1
1982 through Sept. 30, 1983 [1]	400	890.2	1,290.2
1983 [1]	1,389	.....	1,389
1984 [1]	1,490	.....	1,490
1984 [1]	1,520	.....	1,520
1984 [1]	1,573	.....	1,573
1985 [1]	1,823.8	.....	1,823.8
1985 [1]	1,847.8	.....	1,847.8
1986 [1]	2,078.7	.....	2,078.7
Proposed:			
1986 [1]	2,322.8	.....	2,322.8

[1] Includes FNMA participation certificates issued in fiscal year 1968.

II. EXPLANATION OF PROVISIONS

A. Title I—Increase in the Limit on the Public Debt

Present Law

The present permanent limit on the public debt is $2,078.7 billion, which was enacted on December 12, 1985 (P.L. 99–177). A permanent debt limit has no expiration date.

Reasons for Change

Current debt situation

The outstanding public debt at the close of business on July 14, 1986, was $2,069.0 billion, which was $9.7 billion below the $2,078.7 billion current statutory limit on the public debt. The Treasury Department's operating cash balance was $15.1 billion, which is $9.9 billion below the preferred $25 billion operating cash balance and allowance for contingencies.

The Treasury Department told the Committee on Finance during the public hearing on July 15, 1986, that an increase in the public debt limit will be necessary before August 15, 1986, if the Treasury Department is to carry out its statutory obligations with regard to orderly financing of the public debt.

On August 1, as required by section 201(a) of the Social Security Act, the Secretary of the Treasury will transfer $14.6 billion to the Social Security trust funds in anticipation of tax receipts for those funds during the month of August. Since on July 31 the projected debt outstanding subject to the limit will be very close to the limit of $2,078.7 billion, investment of the amounts transferred to the trust funds would result in exceeding the debt limit. To avoid that result, while fully investing the trust funds on time, the Secretary will use the $15 billion non-debt-limit borrowing authority of the Federal Financing Bank (FFB). Exchanging Treasury securities now held by the Civil Service Retirement and Disability Fund for identical FFB obligations and retiring the Treasury debt will free sufficient debt limit capacity to invest fully the Social Security trust funds while maintaining the liquidity of both Civil Service and Social Security trust funds. The exchange transaction is essentially the same one that was engaged in last year and will not result in any losses to the Civil Service fund.

Budget perspective

The proposed increase in the debt limit is identical with the recommended level of the public debt for fiscal year 1987 that was approved in S. Con. Res. 120, the budget resolution for fiscal years 1987–1989. This level reflects the receipts and outlays estimates for fiscal year 1987 that also were approved in the budget resolution.

Table 2, below, shows the budget estimates for fiscal years 1987 and 1988 as approved by Congress in S. Con. Res. 120. The table also shows comparable budget estimates submitted to Congress by the administration on February 5, 1986.

TABLE 2.—ESTIMATED BUDGET TOTALS, FISCAL YEARS 1987 AND 1988

[Billions of dollars]

	Budget resolution		Administration	
	1987	1988	1987	1988
Outlays [1]	995.0	1,045.4	994.0	1,026.8
Receipts [1]	852.4	929.8	850.4	933.2
Deficits	−142.6	−115.65	−143.6	−93.6

[1] Include off-budget outlays and revenues.
Note: Detail may not add to totals due to rounding.

Consequences of delayed approval

Use of Federal Financing Bank (FFB) authority will provide Treasury with sufficient room under the debt limit to conduct normal cash and debt transactions through August 14, 1986. The uncertainty about whether a debt limit increase will be enacted by August 15 will affect market financing during August. Quarterly refunding of Treasury debt is scheduled for auction on August 5, 6 and 7, with settlement scheduled on August 15. If Treasury is uncertain that the debt limit will be increased by August 15, it may not be able to assure bidders that it will be able to settle, and accordingly Treasury may cancel the scheduled auctions.

In addition, on August 15, interest totaling approximately $15 billion is due on approximately $278 billion of outstanding Treasury notes and bonds. Current Treasury projections indicate that, after payment of that interest and other obligations due that date, Treasury's cash balance will be so close to zero as to be within the margin of estimating error. In other words, while Treasury cannot say definitively that it will certainly default on August 15, it also cannot say definitively that it will not. However, after August 15, the projected cash balance continues to deteriorate through August 20. The possibility of a default during this period is significant.

If the United States defaulted on August 15 and remained unable to meet its obligations through August 20, in addition to interest and principal that would not be paid in a timely fashion, over $1 billion in Medicare payments due between August 15 and 20 would not be received on time, approximately $1.7 billion in military and civilian salaries would be delayed, the States would not receive on time almost $600 million due to them from the highway and unemployment trust funds between August 15 and 20, and a host of smaller payments also would be at risk.

Taking a broader view, a default would have swift and severe domestic and international repercussions. For example, investors, both domestic and foreign, would flee from the government bond

market if there were a default, and confidence in the credit of the United States would be difficult to restore. The commitment of the United States government to honor its financial commitments to both its own citizens and the rest of the world is essential to its international leadership. Any action that would erode this commitment is a matter of grave concern.

Explanation of Provision

After considering the matters discussed above as they relate to Federal finances, the committee voted to increase the permanent public debt limit to $2,322.8 billion through fiscal year 1987. It is expected that the bill will provide the Secretary of the Treasury with sufficient authority to issue Federal debt obligations for financing the Federal Government's activities through fiscal year 1987.

B. Title II--Amendments Relating to Investment of Social Security Trust Funds

Reasons for Change

Title II of the bill responds to questions raised in 1984 and 1985 about management of the Old Age and Survivors Insurance Trust Fund and the Disability Insurance Trust Fund (together, "the Social Security trust funds") in a debt limit crisis. During the fall of 1984 and 1985, substantial delays in increasing the debt limit prevented the Secretary of the Treasury from fully and timely investing all funds transferred to the Social Security trust funds. In addition, in order to make certain that benefits were paid notwithstanding the inability of the government to issue new debt to raise cash, the Secretary redeemed prematurely some long-term securities held by the trust funds.

The potential losses to the trust funds caused by the actions were avoided, and the trust funds fully restored, only by legislation enacted as part of the 1985 debt limit increase. Thus, the Committee believes that limitations on the Secretary's flexibility are appropriate in order to preserve confidence in the trust funds. In testimony before the Committee, Treasury expressed its support for such limitations.

Explanation of Amendment

Summary

The bill amends the Social Security Act to prohibit the Secretary of the Treasury, in his role as Managing Trustee of the Social Security trust funds, from engaging in premature redemption of securities held by the trust funds during a debt limit crisis even if such redemption were required in order to pay benefits. The bill will protect the earnings of the trust funds and will result in a clear and unequivocal deadline by which a debt limit increase will be required in order to avoid a default of all government obligations. Under the bill, the Secretary of the Treasury is required to report monthly to the Board of Trustees of the Social Security trust funds on the status of the funds, and is required to notify both the Board and the Congress 15 days prior to the date on which he expects, because of the debt limit, to be unable fully to comply with the transfer or investment requirements of the Social Security Act.

Title II also clarifies existing law requiring that funds appropriated to or deposited in the Social Security trust funds be available immediately and exclusively for trust fund purposes. Under the bill, the Board of Trustees will be required to meet twice, rather than once, each year, and will make a summary report on the status of the funds in November, in addition to the full-scale trustees report in April. The duty of the trustees to faithfully execute

the responsibilities imposed on them by the Social Security Act is explicitly stated. The normalized tax transfer, enacted in 1983 when there was concern that the funds might not have sufficient assets to pay monthly benefits, is no longer needed for that purpose and is repealed with respect to taxes received after June 30, 1990.

Finally, the bill assures that funds over which the Secretary of the Treasury has investment authority receive priority with respect to investment over other forms of issuances (to the extent of available debt limit capacity) during any period in which issuance of United States Treasury obligations is constrained abnormally by the debt limit.

Short title

Section 201 designates Title II of the bill as the "Social Security Trust Funds Management Act of 1986."

Elimination of undue discretion in the investment of trust funds

Section 201(d) of the Social Security Act requires the Managing Trustee of the Social Security trust funds to invest the portion of the funds not required to meet current withdrawals in specified obligations issued or guaranteed by the United States. Section 202 of the bill clarifies the intent of current law by specifically requiring the Managing Trustee immediately to invest all such surplus funds. Because the investments specified in the Social Security Act are by statute subject to the debt limit, there may be times when the debt limit prohibits immediate investment. The Committee does not intend that the requirement for immediate investment of the funds supersede the debt limit in such a situation, but does intend to emphasize the importance of timely investment.

Sales and redemptions by trust funds

Because funds transferred to the trust funds are immediately invested in short-term securities, virtually all payments from the trust funds require redemption of securities. Section 201(e) of the Social Security Act provides that the Managing Trustee may sell at the market price or redeem at par, as appropriate, obligations held by the trust funds. Section 201(d) states a preference for investment in specially issued public debt obligations redeemable at par. Both trust funds are currently fully invested in such "par value specials," except for a small amount invested in market securities.

For many years, the Managing Trustee has used an essentially mechanical redemption order designed to result in long-term parity between the trust funds and the general funds. The shortest term securities are redeemed first, starting with the securities with the lowest interest rate. When all securities of a given maturity have been redeemed, securities on the subsequent maturity category are redeemed, again starting with those with the lowest interest rate. The net effect of this procedure, during a period of normal trust fund operation, is that long term securities are redeemed only when monthly expenditures of the funds exceed monthly receipts. However, in 1984 and 1985, when the debt limit prevented investment in new short-term securities, longer term securities were redeemed to pay benefits, resulting in potential losses to the trust fund that required legislative action.

Section 203 of the bill provides further guidance and limitations on sales and redemptions. First, it clarifies existing law that the Managing Trustee may redeem trust fund assets only to make payments authorized and directed by Title II of the Social Security Act [and related laws]. Second, new section 201(e)(3) of the Social Security Act prohibits the Managing Trustee from selling or redeeming trust fund assets if either (i) there are uninvested monies other than as required for normal operations or (ii) in advance of the normal redemption dates. Thus, when debt limit constraints preclude investment of turst fund receipts, long term securities may not be redeemed, even to pay benefits. Similarly, the Managing Trustee is required to maintain the redemption schedule established pursuant to section 153 of the Social Security Amendments of 1983 or other normal operating procedures, and may not accelerate redemptions in order to raise cash, even to pay benefits. In short, if the debt limit precludes normal investments and redemptions, disinvestment cannot be used to delay a default even with respect to payment of benefits. The purpose of this section is to protect the earnings of the trust funds and minimize uncertainty with respect to the need to increase the debt limit.

Exclusive dedication of amounts in trust funds

Section 204 clarifies existing law by providing that amounts deposited in or appropriated to either trust fund immediately are available exclusively for trust fund purposes. This is meant to emphasize the special dedication of the trust funds. The Committee recognizes, however, that transfers to the trust funds must of necessity be based on estimates and that, furthermore, if failure to increase the debt limit results in the government as a whole running out of cash, it would give rise to a situation in which trust fund assets would not be available to make benefit payments until the debt limit is increased.

Faithful execution of duties by members of board of trustees of trust fund

Section 201(c) of the Social Security Act now states that trustees of the Social Security trust funds are not to be considered fiduciaries and shall not be personally liable for actions taken as trustees with respect to the trust funds. Given the massive size of the funds, and statutory requirements that differ from general trust requirements which are more appropriate for private funds, this degree of protection for the trustees as individuals is essential.

Section 205 amends section 201(c) to emphasize the need for the trustees to faithfully execute their duties, even though they are not formally designated as fiduciaries and have no personal liability. The Committee expects that the Board of Trustees, and in particular the Managing Trustee, will, within the confines of the statute, recognize the special trust placed in them in executing their responsibilities.

Priority of investment of trust funds

The Secretary of the Treasury currently has investment authority over a number of funds and government accounts other than the Social Security trust funds, including for example the Civil

Service Retirement and Disability Fund. As is the case with the Social Security trust funds, when the debt limit is reached new investments cannot be made by these funds. As room within the debt limit is created because of the receipt of revenues and the redemption of outstanding debt, present law does not specify any priority for the use of that debt capacity.

Section 206 amends section 3101 of Title 31, United States Code, which contain the debt limit, to provide that, if on any day there are abnormal uninvested balances in funds or accounts over which the Secretary has investment authority, any debt limit capacity must be used first to issue obligations to those funds or accounts. There is no priority stated among the funds. The Committee anticipates that the Secretary will institute a fair and equitable system of proration if sufficient capacity for full investment of the funds is not available. However, the Committee recognizes that many of the funds receive very small sums for investment on an occasional basis and that the Treasury has been able fully to invest those funds. The Committee does not intend to prohibit Treasury from continuing that policy. This section does not apply to any funds or accounts with independent investment authority.

Elimination of authority for normalized tax transfers to trust funds

Section 141 of the Social Security Amendments of 1983 altered the system under which tax receipts were transferred to the Social Security trust funds by providing that projected receipts for a month be transferred at the beginning of the month rather than as received. This was intended to assure payment of benefits when the trust funds were scheduled to receive sufficient assets during a month to pay the month's benefits, but because benefits are paid at the beginning of the month, would not have sufficient assets to make the payments when due. This procedure, although meant to be neutral between the trust funds and the general fund, in operation can result in modest subsidies to the trust funds, and has also created artificial bulges in debt outstanding at the beginning of each month. The other provisions of the 1983 amendments will, by 1990, have resulted in trust fund surpluses that make the procedure provision unnecessary.

Section 207 repeals the normalized tax transfer effective with respect to taxes received after June 30, 1990 and would return to a daily transfer system. The Committee recognizes that the transfers must of necessity be based on estimates of tax receipts, and the statute provides for adjustment of fund balances to account for actual receipts.

Reports regarding the operation and status of the trust funds

Under current law, the Social Security Board of Trustees is required to meet only once each year and to provide one annual report. However, the by-laws of the Board of Trustees provide for two meetings each year. Given recent concern about the operation of the trust funds and the addition of two public trustees to the Board as a result of the 1983 amendments, the Committee believes that requiring by statute a second meeting and a limited second report would be beneficial. The Committee also believes that, although the current Managing Trustee has agreed to keep the other

Trustees and Congress informed about trust fund problems arising because of the debt limit, requiring such notice by statute for future Managing Trustees would encourage confidence in the system.

Section 208 amends section 201(c) of the Social Security Act to require two meetings annually of the Board of Trustees. It also requires a report to Congress no later than November 1, concerning the operation and status of the trust funds during the six-month period ending the preceding September 30. This second report, which must of necessity be based in part on estimates of past experience, is meant to be a supplement to the annual trustees report required by section 201(c)(2), is meant to discuss only actual trust fund operations, and is not intended to include projections or actuarial analyses of future experience. Any developments since the April report which would significantly affect the status of the trust funds would be commented on, if appropriate, in this supplementary report. However, the November report would otherwise be in the nature of a update and would not need to repeat all of the routine detailed analyses traditionally incorporated in the April report.

Section 208 also requires the Managing Trustee to report monthly to the Board of Trustees concerning the operation and status of the Trust Funds, and to report to both the Board and Congress not less than 15 days prior to the date on which he expects, because of the debt limit, to be unable fully to comply with the transfer or investment provisions of the Social Security Act, including an estimate of the expected consequences to the trust funds of such inability. Because of the other provisions of the bill, particularly sections 203 and 206, the Committee expects that the only event the Secretary will have reason to report will be the inability to invest funds because the debt limit has been reached.

Effective date

Except for the repeal of the normalized tax transfer, Title II will be effective August 15, 1986.

III. APPENDIX

TABLE I.—DEBT LIMITATIONS UNDER SEC. 21 OF THE SECOND LIBERTY BOND ACT AS AMENDED—HISTORY OF LEGISLATION

	In billions
Sept. 24, 1917:	
40 Stat. 288, sec. 1, authorized bonds in the amount of	[1] $7.5
40 Stat. 290, sec. 5, authorized certificates of indebtedness outstanding revolving authority	[2] 4.0
Apr. 4, 1918:	
40 Stat. 502, amending sec. 1, increased bond authority to	[1] 12.0
40 Stat. 504, amending sec. 5, increased authority for certificates outstanding to	[3] 8.0
July 9, 1918: 40 Stat. 844, amending sec. 1, increased bond authority to	[2] 20.0
Mar. 3, 1919:	
40 Stat. 13, amending sec. 5, increased authority for certificates outstanding to	[2] 10.0
40 Stat. 1309, new sec. 18 added, authorizing note in the amount of	[1] 7.0
Nov. 23, 1921: 42 Stat. 321, amending sec. 18, increased note authority outstanding (established revolving authority) to	[2] 7.5
June 17, 1929: 46 Stat. 19, amending sec. 5, authorized bills in lieu of certificates of indebtedness; no change in limitation for the outstanding	[2] 10.0
Mar. 30, 1931: 46 Stat. 1506, amending sec. 1, increased bond authority to	[1] 28.0
Jan. 30, 1934: 49 Stat. 343, amending sec. 18, increased authority for notes outstanding to	[1] 10.0
Feb. 4, 1935:	
49 Stat. amending sec. 1, limited bonds outstanding (establishing revolving authority) to	[2] 25.0
49 Stat. 2, new sec. 21 added, consolidating authority for certificates and bills (sec. 5) and authority for notes (sec. 18); same aggregate amount outstanding	[2] 20.0
49 Stat. 21, new sec. 22 added, authorizing U.S. savings bonds within authority of sec. 1	
May 26, 1938: 52 Stat. 447, amending secs. 1 and 21, consolidating in sec. 21 authority for bonds, certificates of indebtedness, Treasury bills, and notes (outstanding bonds limited to $30,000,000,000). Same aggregate total outstanding	[2] 45.0
July 20, 1939: 53 Stat. 1071, amending sec. 21, removed limitations on bonds without changing total authorized outstanding bonds, certificates of indebtedness, bills and notes	[2] 45.0
July 25, 1940: 54 Stat. 526, amending sec. 31, adding new paragraph: "(b) In addition to the amount authorized by the preceding paragraph of this section, any obligation authorized by secs. 5 and 18 of this Act, as amended, not to exceed in the aggregate $4,000,000,000 outstanding at any one time, less any retirements made from the special funds made available under sec. 301 of the Revenue Act of 1940, may be issued under said sections to provide the Treasury with funds to meet any expenditures made, after June 30, 1940, for the national defense, or to reimburse the general fund of the Treasury therefor. Any such obligations so issued shall be designated 'National Defense Series.'"	[2] 49.0
Feb. 19, 1941: 55 Stat. 7, amending sec. 21, limiting face amount of obligations issued under authority of act outstanding at any one time to	[2] 65.0
Eliminated separated authority for $4,000,000,000 of national defense series obligations	[2] 65.0
Mar. 28, 1942: 56 Stat. 189, amending sec. 21, increased limitation to	[2] 125.0
Apr. 11, 1943: 57 Stat. 63, amending sec. 21, increased limitation to	[2] 210.0

Apr. 3, 1945: 59 Stat. 47, amending sec. 21 to read: "The face amount of obligations issued under authority of this act, and the face amount of obligations guaranteed as to principal and interest by the United States (except such guaranteed obligations as may be held by the Secretary of the Treasury), shall not exceed in the aggregate, $300,000,000 outstanding at one time"	[2] 300.0
June 26, 1946: 60 Stat. 316, amending sec. 21, adding: "the current redemption value of any obligation issued on a discount basis which is redeemable to maturity at the option of the holder thereof, shall be considered, for the purposes of this section to be the face amount of such obligation," and decreasing limitations to	[2] 278.0
Aug. 28, 1954: 68 Stat. 895, amending sec. 21, effective Aug. 28, 1954, and ending June 30, 1955, increasing temporary limitation by $6,000,000,000 to	[2] 281.0
June 30, 1955: 69 Stat. 241, amending Aug. 28, 1954, act by extending until June 30, 1956, increase in limitation to	[2] 281.0
July 9, 1956: 70 Stat. 519, amending act of Aug. 28, 1954, increasing temporary limitation by $30,000,000,000 for period, beginning July 1, 1955, and ending June 30, 1957 to	[2] 278.0
Effective July 1, 1957, temporary increase terminates and limitation reverts, under act of June 26, 1956, to	[2] 275.0
Feb. 26, 1958: 72 Stat. 27, amending sec. 21, effective Feb. 26, 1958, and ending June 30, 1969, increasing limitation by $5,000,000,000	[2] 280.0
Sept. 2, 1958: 72 Stat. 1758, amending sec. 21, increasing limitation by $5,000,000,000	[2] 280.0
Sept. 2, 1958: 72 Stat. 1758, amending sec. 21, increasing limitation to $238,000,000,000 which with temporary increase of Feb. 26, 1958, makes limitation	[2] 288.0
June 30, 1959: Stat. 156, amending sec. 21, effective June 30, 1959, increasing limitation to $295,000,000,000, which with temporary increase Feb. 26, 1958, makes limitation on June 30, 1959	[2] 290.0
Amending sec. 21, increasing limitation by $10,000,000,000 for period beginning July 1, 1959, and ending June 30, 1960, which makes limitation beginning July 3, 1959	[2] 295.0
July 30, 1960: 74 Stat. 290, amending sec. 21, for period beginning on July 1, 1960, and ending June 30, 1961, temporarily increasing limitation by $8,000,000,000	[2] 293.0
June 30, 1961: 75 Stat. 148, amending sec. 31, for period beginning on July 1, 1961, and ending June 3, 1972, increasing limitation by $13,000,000,000 to	[2] 298.0
Mar. 13, 1962: 75 Stat. 23, amending sec. 21 for period beginning on Mar. 13, 1962, and ending June 3, 1962, further increasing limitation by $2,000,000,000	[2] 300.0
July 1, 1962: 76 Stat. 124 as amended by 77 Stat. 50, amending sec. 21, for period—	
1. Beginning July 1, 1962, and ending Mar. 31, 1963	[2] 308.0
2. Beginning Apr. 1, 1963, and ending June 24, 1963	[2] 305.0
3. Beginning June 25, 1963, and ending June 30, 1963	[2] 300.0
May 29, 1963: 77 Stat. 50, amending sec. 21, for period—	
1. Beginning May 29, 1963, and ending June 30, 1963	[2] 307.0
2. Beginning July 1, 1963, and ending Aug. 31, 1963	[2] 309.0
Aug. 27, 1963: 77 Stat. 131, amending sec. 21, for the period beginning on Sept. 1, 1963, and ending on Nov. 30, 1963	[2] 309.0
Nov. 26, 1963: Stat. 342, amending sec. 21, for the period—	
1. Beginning on Dec. 1, 1963, and ending June 29, 1964	[2] 315.0
2. On June 30, 1964	[2] 309.0
June 29, 1964: 78 Stat. 225, amending sec. 21, for the period beginning June 29, 1964, and ending on June 30, 1965, increasing the temporary debt limit to	[2] 324.0
June 24, 1965: 79 Stat. 172, amending sec. 21, for the period beginning July 1, 1965, and ending on June 30, 1966, increasing the temporary debt limit to	[2] 328.0
June 24, 1966, 80 Stat. 21, amending sec. 21, for the period beginning July 1, 1966, and ending on June 30, 1967, increasing the temporary debt limit to	[2] 330.0

Mar. 2, 1967: 81 Stat. 4, amending sec. 21, for the period beginning Mar. 2, 1967, and ending on June 30, 1967, increasing the temporary debt limit to	[2] 336.0
June 30, 1967: 81 Stat. 99—	
1. Amending sec. 21, effective June 30, 1967, increasing limitation to	[2] 358.0
2. Increasing the temporary debt limit by $7,000,000,000 for the period from July 1 to June 29 of each year, to make the limit for such period	[2] 365.0
Apr. 7, 1969: 84 Stat. 7—	
1. Amending sec. 21, effective Apr. 7, 1969, increasing debt limitation to	[2] 365.0
2. Increasing the temporary debt limit by $12,000,000,000 for the period from Apr. 7, 1969 through June 30, 1970, to make the limit for such period	[2] 377.0
June 30, 1970: 84 Stat. 368—	
1. Amending sec. 21, effective July 1, 1970, increasing debt limitation to	[2] 380.0
2. Increasing the temporary debt limit by $15,000,000,000 for the period from July 1, 1970, through June 20, 1971, to make the limit for such period	[2] 395.0
March 17, 1971: 85 Stat. 5—	
1. Amending sec. 21, effective Mar. 17, 1972, increasing debt limitation to	[2] 400.0
2. Increasing the temporary debt limit by $30,000,000,000 for the period from Mar. 17, 1971, through June 30, 1972, to make the limit for such period	[2] 430.0
Mar. 15, 1972: 86 Stat. 63, increasing the temporary debt limit by an additional $20,000,000,000 for the period from Mar. 15, 1972, through June 30, 1972, to make the limit for such period	[2] 450.0
July 1, 1972: 86 Stat. 406, extending the temporary debt limit of $50,000,000,000 for the period from July 1, through Oct. 31, 1972, to make the limit for such period	[2] 450.0
Oct. 27, 1972: 86 Stat. 1324, increasing the temporary debt limit by $65,000,000,000 for the period from Nov. 1, 1972, through June 30, 1974, to make the limit for such period	[2] 465.0
July 1, 1973: 87 Stat. 134, extending the temporary debt limit of $465,000,000,000 for the period from June 30, 1973, through Nov. 30, 1973, to make the limit for such period	[2] 465.0
Dec. 3, 1973: 87 Stat. 691, increasing the temporary debt limit by $75,700,000,000 for the period from Dec. 7, 1973, through June 30, 1974, to make the limit for such period	[2] 475.7
June 30, 1974: 88 Stat. 285, increasing the temporary debt limit by $95,000,000,000 for the period from June 3, 1974, through Mar. 31, 1975, to make the limit for such period	[2] 495.0
Feb. 19, 1975: 89 Stat. 5, increasing the temporary debt limit by $131,000,000,000 for the period from Feb. 10, 1975, through June 3, 1976, to make the limit for such period	[2] 531.0
June 30, 1975: 89 Stat. 246, increasing the temporary debt limit by $177,000,000,000 for the period from June 30, 1975, through Nov. 16, 1975, to make the limit for such period	[2] 577.0
Nov. 14, 1975: 89 Stat. 693, increasing the temporary debt limit by $195,000,000,000 for the period from Nov. 14, 1975, through Mar. 15, 1975, to make the limit for such period	[2] 595.0
Mar. 15, 1976: 90 Stat. 217, increasing the temporary debt limit by $227,000,000,000 for the period from Mar. 15, 1976, through June 30, 1976, to make the limit for such period	[2] 627.0
June 30, 1976: 90 Stat. 793—	
1. Increasing the temporary debt limit by $236,000,000,000 for the period from July 1, 1976, through Sept. 30, 1976, to make the limit for such period	[2] 636.0
2. Increasing the temporary debt limit by $282,000,000,000 for the period from Oct. 1, 1976, through Mar. 3, 1977, to make the limit for such period	[2] 682.0
3. Increasing the temporary debt limit by $300,000,000,000 for the period from Apr. 2, 1977, through Sept. 30, 1977, to make the limit for such period	[2] 700.0

Oct. 4, 1977: 91 State. 1090, increasing the temporary debt limit by $352,000,000,000 for the period from the date of enactment through Mar. 31, 1978, to make the limit for such period	[2] 752.0
Mar. 27, 1978: 92 Stat. 185, extending the temporary debt limit of $352,000,000,000 from the date of enactment through July 31, 1978, to make the limit for such period	[2] 752.0
Aug. 3, 1978: 92 Stat. 419, increasing the temporary debt limit by $398,000,000,000 from the date of enactment through Mar. 31, 1979, to make the limit for such period	[2] 798.0
Apr. 2, 1979: 93 Stat. 8, increasing the temporary debt limit by $430,000,000,000 from the date of enactment through September 30, 1979, to make the limit for such period	[2] 830.0
Sept. 29, 1979: 93 Stat. 589, increasing the temporary debt limit by $479,000,000,000 from the date of enactment through May 31, 1980, to make the limit for such period	[2] 879.0
May 30, 1980: 94 Stat. 421, increasing the temporary debt limit by $479,000,000,000 from the date of enactment through June 5, 1980, to make the limit for such period	[2] 879.0
June 6, 1980: 94 Stat. 439, increasing the temporary debt limit by $479,000,000,000 from the date of enactment through June 30, 1980, to make the limit for such period	[2] 879.0
June 28, 1980: 94 Stat. 598, increasing the temporary debt limit by $525,000,000,000 from the date of enactment through February 28, 1981, to make the limit for such period	[2] 925.0
December 19, 1980: 94 Stat. 3261, increasing the temporary debt limit by $535,100,000,000 from the date of enactment through September 30, 1981, to make the limit for such period	[2] 935.1
February 7, 1981: 95 Stat. 4, increasing the temporary debt limit by $585,000,000,000 from the date of enactment through September 30, 1981, to make the limit for such period	[2] 985.0
September 30, 1981: 95 Stat. 955, increasing the temporary debt limit by $599,800,000,000 from the date of enactment through September 30, 1981, to make the limit for such period	[2] 999.8
September 30, 1981: 95 Stat. 955, increasing the temporary debt limit by $679,800,000,000 from the date of enactment through September 30, 1982, to make the limit for such period	[2] 1,079.8
June 28, 1982: 96 Stat. 130, increasing the temporary debt limit by $743,100,000,000 from the date of enactment through September 30, 1982, to make the limit for such period	[2] 1,143.1
September 30, 1982: Stat. 270, increasing the temporary debt limit by $890,200,000,000 during the period beginning on October 1, 1982, and ending on September 30, 1983, to make the limit for such period	[2] 1,290.2
May 26, 1983: 97 Stat. 196, increasing the permanent public debt limit by $989,000,000,000 from the date of enactment to make the public debt limit for such period	[2] 1,389.0
November 21, 1983: 97 Stat. 1012 increasing the permanent public debt limit by $101,000,000,000 from the date of enactment to make the public debt limit	[2] 1,490.0
May 25, 1984: 98 Stat. 217, increasing the permanent public debt limit by $30,000,000,000 from the date of enactment to make the public debt limit	[2] 1,520.0
July 6, 1984: 98 Stat. 313, increasing the permanent public debt limit by $53,000,000,000 from the date of enactment to make the public debt limit	[2] 1,573.0
October 13, 1984: 98 Stat. 2206, increasing the permanent public debt limit by $250,800,000,000 from the date of enactment to make the public debt limit	[2] 1,823.8
December 12, 1985: 99 Stat. 1037, increasing the permanent public debt limit by $24,000,000,000 from the date of enactment to make the public debt limit	[2] 1,847.8
December 12, 1985: 99 Stat. 1037, increasing the permanent public debt limit by $230,900,000,000 from October 1, 1985 to make the public debt limit	[2] 2,078.7

[1] Limitation on issue.
[2] Limitation on outstanding.

TABLE II.—OUTSTANDING PUBLIC DEBT SUBJECT TO LIMITATION AT END OF FISCAL YEARS 1916–84, AND ON SEPTEMBER 17, 1985

Fiscal year:	*Millions*	Fiscal year:	*Millions*
1916	$1,225	1952	$257,233
1917	2,976	1953	647,220
1918	12,455	1954	269,379
1919	25,485	1955	272,348
1920	24,299	1956	270,619
1921	23,977	1957	269,120
1922	22,963	1958	275,395
1923	22,350	1959	282,419
1924	21,251	1960	283,827
1925	20,516	1961	286,308
1926	19,643	1962	296,374
1927	18,512	1963	302,923
1928	17,604	1964	308,583
1929	16,931	1965	314,126
1930	16,185	1966	316,293
1931	16,801	1967	323,143
1932	19,487	1968	[1] 348,534
1933	22,539	1969	[1] 356,107
1934	27,053	1970	[1] 372,600
1935	28,701	1971	[1] 398,650
1936	33,779	1972	[1] 427,751
1937	36,425	1973	[1] 458,264
1938	36,882	1974	[1] 475,181
1939	40,371	1975	[1] 534,207
1940	43,219	1976	[1] 620,556
1941	49,494	Transition quarter	[1] 635,822
1942	74,154	1977	[1] 699,963
1943	140,469	1978	[1] 772,691
1944	208,077	1979	[1] 827,614
1945	268,671	1980	[1] 908,723
1946	268,932	1981	[1] 998,818
1947	255,767	1982	[1] 1,142,913
1948	240,381	1983	[1] 1,377,953
1949	250,965	1984	[1,2] 1,572,975
1950	255,382	1985	[1,2] 1,823,775
1951	253,283	1986	[2] 2,068,959

[1] Includes FNMA participation certificates issued in fiscal year 1968 in debt of fiscal year 1968–83.
[2] Debt at close of business, July 14, 1986.

Source: Annual Report of the Secretary of the Treasury for fiscal year 1923, table 34, p. 544, for 1916–17; Annual Report for fiscal year 1962, table 507, for 1983 and 1939; Annual Report for fiscal year 1976. Statistical Appendix, table 21, p. 67, for 1940–76; Treasury Bulletin, November 1982, table FD–8, p. 24 for 1977 through 1982, Monthly Statement of the Public Debt, September 30, 1983, and Daily Treasury Statement, July 14, 1986.

Tables III–A through III–F provide general background information about private and Federal, State and local government debt, total and per capita, and also the relationship of Federal debt to gross national product (GNP), population and prices. Each table presents annual data from 1929 through 1985.

Tables III–A and III–B show that private and public levels of debt (in total or per capita terms) have increased steadily since the

end of World War II. Net federal debt as a percentage of total debt declined from 1946 through 1974. In the subsequent 10 years, the percentage ratio has both risen and fallen, reaching 19.2 percent in 1985.

Corporate and State and local government debt have increased slowly relative to GNP since post-World War II lows, as shown in table III–C. Other private debt, which includes consumer debt and home mortgages, has increased steadily since 1944, and has exceeded GNP since 1983. Net federal debt has decreased relative to GNP after 1945, but since 1974, it has increased from 24.5 to 40.1 percent of GNP.

Tables III–D shows that gross federal debt per capita was $8,129 in 1985, and private individuals and institutions held $5,920 on a per capita basis. When reduced to compensate for inflation, i.e., year-to-year changes in the consumer price index based on 1982 prices, the 1985 per capita debt figures fall to $2,523 and $1,837; these figures are 31 percent of the unadjusted per capita debt figures.

The ratio of privately held federal debt to GNP is shown in table III–E. Comparing these data and those in table III–C, it can be seen that private holdings of federal debt account for the bulk of investments in federal debt.

Tables III–F presents data on real (1982 prices) gross national product per capita. Since 1933, real GNP per capita has increased from $3,956 to $14,880. The increase has not been marked by sustained annual increases since the end of the post World War II adjustment 1947–1949 because there have been brief declines associated with cyclical fluctuations.

TABLE III–A.—ESTIMATED NET GOVERNMENT AND PRIVATE DEBT, BY MAJOR CATEGORIES

[Dollars in billions]

Year	Private[1]			State and local	Federal[2]	Total net debt	Percent Federal of total
	Corporate	Other	Total				
1929	$88.9	$72.9	$161.8	$13.6	$16.5	$191.9	8.6
1930	89.3	71.8	161.1	14.7	16.5	192.3	8.6
1931	83.5	64.9	148.4	16.0	18.5	182.9	10.1
1932	80.0	57.1	137.1	16.6	21.3	175.0	12.2
1933	76.9	51.0	127.9	16.3	24.3	168.5	14.4
1934	75.5	49.8	125.3	15.9	30.4	171.6	17.7
1935	74.8	49.7	124.5	16.1	34.4	175.0	19.7
1936	76.1	50.6	126.7	16.2	37.7	180.6	20.9
1937	75.8	51.1	126.9	16.1	39.2	182.2	21.5
1938	73.3	50.0	123.3	16.1	40.5	179.9	22.5
1939	73.5	50.8	124.3	16.4	42.6	183.3	23.2
1940	75.6	53.0	128.6	16.4	44.8	189.8	23.6
1941	83.4	55.6	139.0	16.1	56.3	211.4	26.6
1942	91.6	49.9	141.5	15.4	101.7	258.6	39.3
1943	95.5	48.8	144.3	14.5	154.4	313.2	49.3
1944	94.1	50.7	144.8	13.9	211.9	370.6	57.2
1945	85.3	54.7	140.0	13.4	252.5	405.9	62.2
1946	49.5	66.3	115.7	14.9	228.0	358.7	63.6
1947	56.7	80.4	137.1	16.3	220.8	374.2	59.0
1948	62.8	93.2	156.1	18.5	215.1	389.6	55.2
1949	64.6	104.1	168.7	21.0	217.7	407.4	53.4
1950	71.3	122.9	194.3	24.4	216.5	435.1	49.8
1951	79.6	135.7	215.3	26.6	216.1	457.9	47.2
1952	86.8	152.4	239.2	30.2	221.4	490.8	45.1
1953	91.0	168.6	259.6	34.5	228.4	522.5	43.7
1954	95.9	183.1	279.0	40.6	230.8	550.4	41.9
1955	104.2	212.4	316.6	45.9	230.0	592.5	38.8
1956	114.8	232.1	346.9	49.5	224.2	620.6	36.1
1957	124.7	250.5	375.1	53.7	222.0	650.8	34.1
1958	133.2	268.3	401.4	59.2	231.3	691.9	33.4
1959	143.5	302.2	445.8	65.5	238.3	749.6	31.8
1960	154.3	328.2	482.5	70.8	236.3	789.5	29.9
1961	165.1	354.9	520.0	75.9	243.5	839.3	29.0
1962	177.5	391.0	568.4	81.2	250.5	900.1	27.8
1963	190.2	437.5	627.8	86.9	254.4	969.1	26.3
1964	203.0	486.1	689.1	92.9	260.7	1,042.7	25.0
1965	221.6	539.9	761.5	100.3	262.4	1,124.2	23.3
1966	244.1	585.8	829.9	105.9	266.1	1,201.9	22.1
1967	269.5	626.4	895.9	113.7	279.1	1,288.6	21.7
1968	296.5	691.1	987.6	123.2	292.6	1,403.5	20.9
1969	325.5	766.3	1,091.8	133.1	289.0	1,513.9	19.1
1970	355.0	821.5	1,176.5	144.4	300.8	1,621.7	18.5
1971	380.1	908.5	1,288.6	161.8	325.7	1,776.1	18.3
1972	412.5	1,042.2	1,454.7	176.5	340.8	1,972.0	17.3
1973	461.3	1,198.7	1,660.0	191.2	349.1	2,200.3	15.9
1974	527.4	1,323.1	1,850.5	207.7	360.8	2,419.1	14.9
1975	548.5	1,415.4	1,963.9	223.8	446.3	2,633.9	16.9

TABLE III–A.—ESTIMATED NET GOVERNMENT AND PRIVATE DEBT, BY MAJOR CATEGORIES—CONTINUED

[Dollars in billions]

Year	Private [1]			State and local	Federal [2]	Total net debt	Percent Federal of total
	Corporate	Other	Total				
1976	591.5	1,583.9	2,175.4	239.5	515.8	2,930.6	17.6
1977	662.6	1,817.3	2,480.0	262.9	572.5	3,315.4	17.3
1978	741.1	2,135.2	2,876.2	291.3	626.2	3,793.7	16.5
1979	836.5	2,465.8	3,302.2	321.6	663.6	4,287.4	15.5
1980	914.2	2,705.2	3,619.4	351.9	742.8	4,714.1	15.8
1981	1,018.4	2,979.5	3,997.8	375.2	830.1	5,203.2	16.0
1982	1,091.1	3,162.4	4,253.5	423.9	991.4	5,668.8	17.5
1983	1,147.5	3,525.5	4,673.0	481.2	1,177.9	6,332.1	18.6
1984	1,339.8	3,975.5	5,315.3	547.0	1,376.8	7,239.0	19.0
1985	1,506.1	4,511.1	6,017.1	729.7	1,600.4	8,347.2	19.2

Footnotes follow Table III–F.

TABLE III–B.—ESTIMATED PER CAPITA NET GOVERNMENT AND PRIVATE DEBT [3]

[In dollars]

Year	Private [1]			State and local	Federal [2]	Total net debt
	Corporate	Other	Total			
1929	726	595	1,321	111	135	1,567
1930	722	581	1,303	119	133	1,556
1931	671	521	1,192	129	149	1,469
1932	639	456	1,095	133	170	1,397
1933	610	405	1,015	129	193	1,337
1934	595	393	988	125	240	1,353
1935	586	389	975	126	269	1,370
1936	592	394	986	126	293	1,406
1937	586	395	981	124	303	1,409
1938	562	383	945	123	311	1,379
1939	557	384	941	124	323	1,388
1940	567	398	965	123	336	1,424
1941	619	413	1,032	120	418	1,570
1942	672	366	1,038	113	746	1,896
1943	691	353	1,044	105	1,117	2,267
1944	673	363	1,036	99	1,516	2,652
1945	604	387	991	95	1,788	2,874
1946	345	462	807	104	1,590	2,501
1947	388	551	939	112	1,512	2,562
1948	423	628	1,051	124	1,448	2,622
1949	428	688	1,116	139	1,440	2,696
1950	464	800	1,264	159	1,409	2,832
1951	509	868	1,377	170	1,382	2,930
1952	546	958	1,504	190	1,393	3,087
1953	563	1,042	1,605	213	1,413	3,232
1954	583	1,112	1,695	247	1,403	3,344
1955	622	1,268	1,890	274	1,373	3,537
1956	673	1,361	2,034	290	1,314	3,638
1957	718	1,444	2,162	309	1,279	3,750
1958	755	1,520	2,275	336	1,311	3,921
1959	800	1,685	2,485	365	1,329	4,179
1960	846	1,801	2,647	388	1,296	4,331
1961	891	1,916	2,807	409	1,314	4,531
1962	944	2,079	3,023	432	1,332	4,787
1963	998	2,294	3,292	456	1,334	5,083
1964	1,051	2,515	3,566	481	1,349	5,396
1965	1,133	2,761	3,894	513	1,342	5,749
1966	1,234	2,963	4,197	536	1,346	6,078
1967	1,349	3,135	4,484	569	1,397	6,449
1968	1,470	3,425	4,895	611	1,450	6,956
1969	1,597	3,759	5,356	653	1,418	7,426
1970	1,719	3,979	5,698	699	1,457	7,855
1971	1,820	4,348	6,168	774	1,559	8,501
1972	1,955	4,940	6,895	837	1,615	9,347
1973	2,166	5,630	7,796	898	1,639	10,333
1974	2,454	6,156	8,610	966	1,679	11,255
1975	2,526	6,520	9,046	1,031	2,056	12,133

TABLE III–B.—ESTIMATED PER CAPITA NET GOVERNMENT AND PRIVATE DEBT [3]—CONTINUED

[In dollars]

Year	Private [1]			State and local	Federal [2]	Total net debt
	Corporate	Other	Total			
1976	2,699	7,226	9,925	1,093	2,353	13,371
1977	2,992	8,205	11,197	1,187	2,585	14,970
1978	3,310	9,537	12,847	1,301	2,797	16,945
1979	3,694	10,889	14,583	1,420	2,930	18,934
1980	4,000	11,837	15,837	1,540\	3,250	20,627
1981	4,411	12,904	17,315	1,625	3,595	22,535
1982	4,678	13,560	18,238	1,817	4,251	24,307
1983	4,874	14,973	19,847	2,044	5,003	26,894
1984	5,637	16,725	22,362	2,301	5,792	30,456
1985	6,277	18,802	25,079	3,041	6,670	34,791

Footnotes follow table III–F.

TABLE III–C.—NET GOVERNMENT AND PRIVATE DEBT RELATED TO GROSS NATIONAL PRODUCT

[Debt as a percent of gross national product]

Year	Gross National Product (billion $)	Private[1] Corporate	Other	Total	State and local	Federal[2]	Total net debt
1929	103.9	85.6	70.2	155.7	13.1	15.9	184.7
1930	91.2	97.9	78.7	176.6	16.1	18.1	210.9
1931	76.4	109.3	84.9	194.2	20.9	24.2	239.4
1932	58.5	136.8	97.6	234.4	28.4	36.4	299.1
1933	56.0	137.3	91.1	228.4	29.1	43.4	300.9
1934	65.6	115.1	75.9	191.0	24.2	46.3	261.6
1935	72.8	102.7	68.3	171.0	22.1	47.3	240.4
1936	83.1	91.6	60.9	152.5	19.5	45.4	217.3
1937	91.3	83.0	56.0	139.0	17.6	42.9	199.6
1938	85.4	85.8	58.5	144.4	18.9	47.4	210.7
1939	91.3	80.5	55.6	136.1	18.0	46.7	200.8
1940	100.4	75.3	52.8	128.1	16.3	44.6	189.0
1941	125.5	66.5	44.3	110.8	12.8	44.9	168.4
1942	159.0	57.6	31.4	89.0	9.7	64.0	162.6
1943	192.7	49.6	25.3	74.9	7.5	80.1	162.5
1944	211.4	44.5	24.0	68.5	6.6	100.2	175.3
1945	213.4	40.0	25.6	65.6	6.3	118.3	190.2
1946	212.4	23.3	31.2	54.5	7.0	107.4	168.9
1947	235.2	24.1	34.2	58.3	6.9	93.9	159.1
1948	261.6	24.0	35.6	59.7	7.1	82.2	148.9
1949	260.4	24.8	40.0	64.8	8.1	83.6	156.5
1950	288.3	24.7	42.6	67.4	8.5	75.1	150.9
1951	333.4	23.9	40.7	64.6	8.0	64.8	137.3
1952	351.6	24.7	43.3	68.0	8.6	63.0	139.6
1953	371.6	24.5	45.4	69.9	9.3	61.5	140.6
1954	372.5	25.7	49.2	74.9	10.9	62.0	147.8
1955	405.9	25.7	52.3	78.0	11.3	56.7	146.0
1956	428.2	26.8	54.2	81.0	11.6	52.4	144.9
1957	451.0	27.6	55.5	83.2	11.9	49.2	144.3
1958	456.8	29.2	58.7	87.9	13.0	50.6	151.5
1959	495.8	29.0	61.0	89.9	13.2	48.1	151.2
1960	515.3	29.9	63.7	93.6	13.7	45.9	153.2
1961	533.8	30.9	66.5	97.4	14.2	45.6	157.2
1962	574.6	30.9	68.0	98.9	14.1	43.6	156.6
1963	606.9	31.3	72.1	103.4	14.3	41.9	159.7
1964	649.8	31.2	74.8	106.0	14.3	40.1	160.5
1965	705.1	31.4	76.6	108.0	14.2	37.2	159.4
1966	772.0	31.6	75.9	107.5	13.7	34.5	155.7
1967	816.4	33.0	76.7	109.7	13.9	34.2	157.8
1968	892.7	33.2	77.4	110.6	13.8	32.8	157.2
1969	963.9	33.8	79.5	113.3	13.8	30.0	157.1
1970	1,015.5	35.0	80.9	115.9	14.2	29.6	159.7
1971	1,102.7	34.5	82.4	116.9	14.7	29.5	161.1
1972	1,212.8	34.0	85.9	119.9	14.6	28.1	162.6
1973	1,359.3	33.9	88.2	122.1	14.1	25.7	161.9
1974	1,472.8	35.8	89.8	125.6	14.1	24.5	164.3

TABLE III–C.—NET GOVERNMENT AND PRIVATE DEBT RELATED TO GROSS NATIONAL PRODUCT—CONTINUED

[Debt as a percent of gross national product]

Year	Gross National Product (billion $)	Private[1] Corporate	Other	Total	State and local	Federal[2]	Total net debt
1975	1,598.4	34.3	88.5	122.9	14.0	27.9	164.8
1976	1,782.8	33.2	88.8	122.0	13.4	28.9	164.4
1977	1,990.5	33.3	91.3	124.6	13.2	28.8	166.6
1978	2,249.7	32.9	94.9	127.9	12.9	27.8	168.6
1979	2,508.2	33.3	98.3	131.7	12.8	26.5	170.9
1980	2,732.0	33.5	99.0	132.5	12.9	27.2	172.5
1981	3,052.6	33.4	97.6	131.0	12.3	27.2	170.5
1982	3,166.0	34.5	99.9	134.3	13.4	31.3	179.1
1983	3,401.6	33.7	103.6	137.4	14.1	34.6	186.2
1984	3,774.7	35.5	105.3	140.8	14.5	36.5	191.8
1985	3,988.5	37.8	113.1	150.9	18.3	40.1	209.3

Footnotes follow table III–F.

TABLE III–D.—ESTIMATED FEDERAL DEBT RELATED TO POPULATION AND PRICES

Year	Outstanding Federal Debt (in billions of dollars)			Per Capita Federal Debt [3] (in dollars)			Real per capital Federal Debt [4] (in 1967 dollars)		
	Gross [5]	Net [2]	Privately held [6]	Gross [5]	Net [2]	Privately held [6]	Gross [5]	Net [2]	Privately held [6]
1929	18.7	16.5	16.0	153	135	131	298	263	255
1930	18.6	16.5	15.8	150	133	128	301	267	256
1931	20.4	18.5	17.7	164	149	142	359	326	312
1932	23.2	21.3	19.4	185	170	155	453	416	379
1933	26.8	24.3	21.9	213	193	174	548	497	448
1934	38.1	30.4	28.0	300	240	221	749	598	550
1935	41.8	34.4	32.0	327	269	251	796	655	610
1936	46.2	37.7	35.3	360	293	275	866	707	662
1937	48.9	39.2	36.6	378	303	283	879	705	658
1938	51.8	40.5	37.9	397	311	291	941	736	689
1939	55.7	42.6	40.1	422	323	304	1,014	775	730
1940	59.4	44.8	42.6	446	336	320	1,061	800	761
1941	73.3	56.3	54.0	544	418	401	1,234	948	909
1942	119.2	101.7	95.5	874	746	700	1,791	1,528	1,435
1943	176.1	154.4	142.9	1,275	1,117	1,034	2,460	2,157	1,997
1944	236.6	211.9	193.1	1,693	1,516	1,382	3,212	2,877	2,622
1945	281.1	252.5	228.2	1,990	1,788	1,616	3,693	3,317	2,998
1946	261.9	228.0	206.1	1,826	1,590	1,437	3,122	2,718	2,457
1947	256.8	220.8	199.1	1,758	1,512	1,363	2,628	2,260	2,038
1948	253.6	215.1	192.0	1,707	1,448	1,292	2,367	2,008	1,792
1949	257.7	217.7	197.7	1,705	1,440	1,308	2,388	2,017	1,832
1950	257.6	216.5	196.6	1,677	1,409	1,280	2,326	1,955	1,775
1951	259.7	216.1	193.1	1,661	1,382	1,235	2,136	1,777	1,588
1952	267.8	221.4	196.8	1,685	1,393	1,238	2,119	1,752	1,557

1953	275.6	228.4	200.0	1,704	1,413	1,237	2,128	1,764	1,544
1954	278.8	230.8	204.2	1,694	1,403	1,241	2,104	1,742	1,541
1955	282.1	230.0	204.8	1,684	1,373	1,223	2,100	1,712	1,524
1956	278.9	224.2	199.4	1,635	1,314	1,169	2,009	1,615	1,436
1957	280.6	222.0	198.8	1,617	1,279	1,146	1,918	1,517	1,359
1958	286.8	231.3	204.7	1,625	1,311	1,160	1,877	1,513	1,340
1959	300.1	238.3	214.8	1,673	1,329	1,197	1,916	1,522	1,372
1960	300.5	236.3	212.4	1,648	1,296	1,165	1,859	1,461	1,314
1961	307.4	243.5	217.8	1,659	1,314	1,176	1,852	1,467	1,312
1962	315.8	250.5	222.8	1,680	1,332	1,185	1,854	1,470	1,308
1963	322.2	254.4	223.9	1,690	1,334	1,174	1,843	1,455	1,281
1964	332.5	260.7	227.0	1,721	1,349	1,175	1,852	1,452	1,265
1965	336.7	262.4	225.6	1,722	1,342	1,154	1,822	1,420	1,221
1966	353.6	266.1	227.5	1,788	1,346	1,151	1,840	1,384	1,184
1967	382.0	279.1	237.3	1,912	1,397	1,188	1,912	1,397	1,188
1968	386.4	292.6	240.7	1,915	1,450	1,193	1,838	1,392	1,145
1969	382.0	289.0	233.0	1,874	1,418	1,143	1,707	1,291	1,041
1970	401.6	300.8	239.8	1,945	1,457	1,162	1,673	1,253	999
1971	435.2	325.7	256.5	2,083	1,559	1,228	1,717	1,285	1,012
1972	461.1	340.8	271.9	2,185	1,615	1,289	1,744	1,289	1,029
1973	480.7	349.1	271.2	2,257	1,639	1,274	1,696	1,232	957
1974	504.0	360.8	280.1	2,345	1,679	1,303	1,588	1,137	882
1975	587.6	446.3	358.1	2,707	2,056	1,650	1,679	1,275	1,023
1976	664.8	515.8	418.5	3,033	2,353	1,910	1,779	1,380	1,120
1977	729.2	572.5	469.5	3,292	2,585	2,120	1,814	1,424	1,168
1978	797.7	626.2	515.4	3,563	2,797	2,302	1,823	1,431	1,178
1979	852.2	663.6	546.0	3,763	2,930	2,411	1,731	1,348	1,109
1980	936.7	742.8	621.3	4,099	3,250	2,718	1,661	1,317	1,101
1981	1,034.7	830.1	698.9	4,481	3,595	3,027	1,645	1,320	1,111
1982	1,201.9	991.4	851.9	5,154	4,251	3,653	1,783	1,470	1,264
1983	1,415.3	1,177.9	1,026.0	6,011	5,003	4,358	2,015	1,677	1,460
1984	1,667.4	1,376.8	1,212.5	7,015	5,792	5,101	2,255	1,862	1,640
1985	1,950.3	1,600.4	1,420.4	8,129	6,670	5,920	2,523	2,070	1,837

Footnotes follow table III–F.

TABLE III-E.—PRIVATELY HELD FEDERAL DEBT RELATED TO GNP

[Dollars in billions]

Year	Gross national product	Privately held debt [6]	Ratio of debt to GNP	Year to year price changes [7] (percent)
1929	$103.9	$16.0	15.4	.0
1930	91.2	15.8	17.3	−2.5
1931	76.4	17.7	23.2	−8.8
1932	58.5	19.4	33.2	−10.3
1933	56.0	21.9	39.1	−5.1
1934	65.6	28.0	42.7	3.4
1935	72.8	32.0	44.0	2.5
1936	83.1	35.3	42.5	1.0
1937	91.3	36.6	40.1	3.6
1938	85.4	37.9	44.4	−1.9
1939	91.3	40.1	43.9	−1.4
1940	100.4	42.6	42.4	1.0
1941	125.5	54.0	43.0	5.0
1942	159.0	95.5	60.1	10.7
1943	192.7	142.9	74.2	6.1
1944	211.4	193.1	91.3	1.7
1945	213.4	228.2	106.9	2.3
1946	212.4	206.1	97.0	8.5
1947	235.2	199.1	84.7	14.4
1948	261.6	192.0	73.4	7.8
1949	260.4	197.7	75.9	−1.0
1950	288.3	196.6	68.2	1.0
1951	333.4	193.1	57.9	7.9
1952	351.6	196.8	56.0	2.2
1953	371.6	200.0	53.8	.8
1954	372.5	204.2	54.8	.5
1955	405.9	204.8	50.5	−.4
1956	428.2	199.4	46.6	1.5
1957	451.0	198.8	44.1	3.6
1958	456.8	204.7	44.8	2.7
1959	495.8	214.8	43.3	.8
1960	515.3	212.4	41.2	1.6
1961	533.8	217.8	40.8	1.0
1962	574.6	222.8	38.8	1.1
1963	606.9	223.9	36.9	1.2
1964	649.8	227.0	34.9	1.3
1965	705.1	225.6	32.0	1.7
1966	772.0	227.5	29.5	2.9
1967	816.4	237.3	29.1	2.9

TABLE III–E.—PRIVATELY HELD FEDERAL DEBT RELATED TO GNP—CONTINUED

[Dollars in billions]

Year	Gross national product	Privately held debt [6]	Ratio of debt to GNP	Year to year price changes [7] (percent)
1968	892.7	240.7	27.0	4.2
1969	963.9	233.0	24.2	5.4
1970	1,015.5	239.8	23.6	5.9
1971	1,102.7	256.5	23.3	4.3
1972	1,212.8	271.9	22.4	3.3
1973	1,359.3	271.2	20.0	6.2
1974	1,472.8	280.1	19.0	11.0
1975	1,598.4	358.1	22.4	9.1
1976	1,782.8	418.5	23.5	5.8
1977	1,990.5	469.5	23.6	6.5
1978	2,249.7	515.4	22.9	7.7
1979	2,508.2	546.0	21.8	11.3
1980	2,732.0	621.3	22.7	13.5
1981	3,052.6	698.9	22.9	10.4
1982	3,166.0	851.9	26.9	6.1
1983	3,401.6	1,026.0	30.2	3.2
1984	3,774.7	1,212.5	32.1	4.3
1985	3,988.5	1,420.4	35.6	3.6

Footnotes follow Table III–F.

TABLE III–F.—CHANGES IN PER CAPITA REAL GROSS NATIONAL PRODUCT

Year	GNP in billions of 1982 dollars	GNP per capita constant 1982 dollars [3]	GNP per capita, change from previous year	
			Constant 1982 dollars	Percent
1929	709.6	5,793	0	0
1930	643.5	5,206	−588	−10
1931	588.1	4,724	−481	−9
1932	509.2	4,065	−659	−14
1933	498.5	3,956	−109	−3
1934	536.7	4,230	274	7
1935	580.2	4,543	312	7
1936	662.2	5,154	612	13
1937	695.3	5,376	221	4
1938	664.2	5,093	−282	−5
1939	716.6	5,427	333	7
1940	772.9	5,799	373	7
1941	909.4	6,753	954	16
1942	1,080.3	7,922	1,168	17
1943	1,276.2	9,236	1,315	17
1944	1,380.6	9,878	641	7
1945	1,354.8	9,593	−285	−3
1946	1,096.9	7,650	−1,943	−20
1947	1,066.7	7,304	−346	−5
1948	1,108.7	7,462	158	2
1949	1,109.0	7,338	−124	−2
1950	1,203.7	7,835	498	7
1951	1,328.2	8,497	662	8
1952	1,380.0	8,681	183	2
1953	1,435.3	8,877	196	2
1954	1,416.2	8,605	−272	−3
1955	1,494.9	8,924	320	4
1956	1,525.6	8,944	20	0
1957	1,551.1	8,938	−6	0
1958	1,539.2	8,723	−215	−2
1959	1,629.1	9,082	358	4
1960	1,665.3	9,136	54	1
1961	1,708.7	9,224	89	1
1962	1,799.4	9,571	346	4
1963	1,873.3	9,925	254	3
1964	1,973.3	10,213	388	4
1965	2,087.6	10,676	464	5
1966	2,308.3	11,168	492	5

TABLE III-F.—CHANGES IN PER CAPITA REAL GROSS NATIONAL PRODUCT—CONTINUED

Year	GNP in billions of 1982 dollars	GNP per capita constant 1982 dollars [3]	GNP per capita, change from previous year	
			Constant 1982 dollars	Percent
1967	2,271.4	11,368	200	2
1968	2,365.6	11,725	357	3
1969	2,423.3	11,888	163	1
1970	2,416.2	11,703	−185	−2
1971	2,484.8	11,894	191	2
1972	2,608.5	12,363	470	4
1973	2,744.1	12,887	524	4
1974	2,729.3	12,698	−189	−1
1975	2,695.0	12,414	−285	−2
1976	2,826.7	12,897	483	4
1977	2,958.6	13,358	462	4
1978	3,115.2	13,915	556	4
1979	3,192.4	14,098	183	1
1980	3,187.1	13,945	−153	−1
1981	3,248.8	14,071	125	1
1982	3,166.0	13,575	−495	−4
1983	3,277.7	13,921	346	3
1984	3,492.0	14,691	770	6
1985	3,570.0	14,880	188	1

FOOTNOTES TO TABLES III—A-F

[1] Data for years 1929–1945 from the Bureau of Economic Analysis, Commerce Department. Data for years 1946 to the present from the Federal Reserve Board Flow of Funds.

[2] Net Federal debt equals gross Federal debt less Federal debt held in U.S. Government accounts.

[3] Per capita debt is calculated by dividing the debt figures by the population of the coterminous U.S. as of December 31 of each year. Beginning 1949, population includes armed forces overseas, Hawaii and Alaska.

[4] Derived by adjusting per capita debt figures for changes in the level of prices, as measured by the Consumer Price Index for all items.

[5] Gross Federal debt is equal to public debt issued by the Treasury plus debt issued by other Federal agencies.

[6] Federal debt held by the public less Federal Reserve holdings of Federal debt.

[7] Measured by the Consumer Price Index for all items, year-to-year basis.

SOURCES: Federal debt, Treasury Department; other data, Bureau of Economic Analysis, Commerce Department, and Federal Reserve Board (Flow of Funds).

NOTE: Detail may not add to totals because of rounding.

IV. COSTS OF CARRYING OUT THE BILL AND VOTE OF THE COMMITTEE IN REPORTING THE BILL

Budget Effects

In compliance with paragraph 11(a) of Rule XXVI of the Standard Rules of the Senate, the following statement is made relative to the budget effects of H.J. Res. 668, as reported.

The committee does not believe that the change made by H.J. Res. 668 in the debt limitation and the rules relating to investment of Social Security trust funds will result in any additional costs in the current fiscal year or in any of the five fiscal years to follow.

Vote of the Committee

In compliance with paragraph 7(c) of Rule XXVI of the Standing Rules of the Senate, the following statement is made relative to the vote by the committee on the motion to report the bill. H.J. Res. 668 was ordered favorably reported by a vote of 12 ayes and 2 nays: Senators Packwood, Danforth, Chafee,[1] Heinz,[1] Wallop, Durenberger, Long, Bentsen, Moynihan, Baucus, Bradley, and Pryor voted aye; Senators Symms[1] and Grassley voted nay.

V. REGULATORY IMPACT OF THE BILL AND OTHER MATTERS TO BE DISCUSSED UNDER SENATE RULES

A. Regulatory Impact

Pursuant to paragraph 11(b) of Rule XXVI of the Standing Rules of the Senate, the committee makes the following statement concerning the regulatory impact that might be incurred in carrying out the provisions of H.J. Res. 668, as reported.

Numbers of individuals and businesses who would be regulated

The bill does not involve new or expanded regulation of individuals or businesses.

Economic impact of regulation on individuals, consumers, and business

The bill has no regulatory economic impact on individuals, consumers or businesses.

Impact on personal privacy

The bill does not relate to the personal privacy of individuals.

Determinations of the amount of paperwork

The bill will involve no additional paperwork for taxpayers.

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[1] Voted by proxy.

B. Other Matters

Consultation with Congressional Budget Office on budget estimates

In accordance with section 403 of the Budget Act, the committee advises that the Director of the Congressional Budget Office has submitted the following written statement with respect to the bill.

CONGRESSIONAL BUDGET OFFICE,
U.S. CONGRESS,
Washington, DC, July 18, 1986.

Hon. BOD PACKWOOD,
Chairman, Committee on Finance,
U.S. Senate, Washington, DC.

Dear Mr. Chairman: The Congressional Budget Office has reviewed H.J. Res. 668, a joint resolution to increase the statutory debt ceiling to $2,322.8 billion from its current level of $2,078.7 billion. This measure was ordered reported by the Committee on Finance on July 14, 1986.

The proposed debt ceiling of $2,322.8 billion was contained in the recent Congressional budget resolution enacted in June and assumes the implementation of the deficit reductions in the resolution. If these deficit reductions are enacted and federal borrowing is reduced, CBO estimates that the new, higher debt ceiling will be sufficient until September 30, 1987. The actual deficit reductions, though, will be achieved through separate legislation (such as reconciliation and appropriations bills) and are not contained in the debt ceiling measure. The CBO does not assign a cost or savings to the debt ceiling measure itself because it does not change any federal government tax or spending policies.

The committee amendment to the bill revises certain rules relating to the investment of Social Security trust funds. It requires the Secretary of the Treasury to invest the trust funds fully (subject to debt ceiling constraints) and restricts the Secretary's discretion to redeem trust fund assets prematurely. This provision has no budgetary effect relative to the CBO baseline.

If you wish further information about this estimate, we will be pleased to provide it.

With best wishes,
Sincerely,

RUDOLPH G. PENNER, *Director.*

New budget authority

In compliance with section 308(a)(1) of the Budget Act, and after consultation with the Director of the Congressional Budget Office, the committee states that the changes made to existing law by the bill involve no new budget authority.

Tax expenditures

In compliance with section 308(a)(2) of the Budget Act with respect to tax expenditures, and after consultation with the Director of the Congressional Budget Office, the committee states that the provisions of the bill involve no new or changed tax expenditures.

VI. CHANGES IN EXISTING LAW

In the opinion of the committee, it is necessary, in order to expedite the business of the Senate, to dispense with the requirements

of paragraph 12 of Rule XXVI of the Standing Rules of the Senate (relating to the showing of changes in existing law made by the provisions of H.J. Res. 668, as reported by the committee).

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